PERFORMANCE BASED SERVICE CONTRACTS

AFI 63-124

(AFMAN 64-108 REWRITE)

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Overview

- Service Contracting Philosophy/ AFI 63-124
- What Has Been Eliminated
- New Acquisition Team Approach
- Way Ahead

Service Contracting Philosophy

- Requirements Defined As Outcomes and Standards instead of "How To"
- Performance Determined via Insight vs. Oversight
- Encourages Use of Commercial Practices
- Applies to All Service Contracts Over $100,000 Annually (Unless Exempted)

Eliminated in New AFI

- Most Mandatory “How To” Language
  - References to AFIs minimized
- 100% Inspection/Random Sampling Preference
  - Oversight Mindset
- Emphasis on Monetary Deductions
  - Adversarial Relationship With The Contractor

Acquisition Team Approach

- Performance Management Council
  - Emphasis on Business Planning/Strategic Sourcing of Wing Requirements
  - Used when Multi-functional Contracts Span Multiple Groups or Tenant Organizations
- Business Requirements and Advisory Group (BRAG)
  - Multifunctional Working Level Team
  - Ensure All Requirements are Included
  - Performs Market Research/Uses Commercial Standards

Acquisition Team Approach

- Performance Management Concept
  - Emphasis: Insight and Partnering w/ Contractor
  - Focus: Are Standards Met ? v.s. Processes Used to Achieve Standard
  - Use Metrics: Tap into Contractor's Quality Control Program
  - Allows Flexibility to Centralize QA Function
    - 60%+ Savings in Quality Assurance Manpower if centralized and Converted to 1910 Series

Way Ahead

- Institutionalize The Concept !
- Immediate Actions
  - Brief AFSPC Contracting Squadron Commanders
  - Brief AFSPC Directors / Brief AFSPC Wing Commanders
  - Establish a HQ AFSPC Multi-functional Working Group (Sep 98)
    - Key Players: HQ AFSPC/ CE / LG / SC / SV
    - Develop an Implementation/Training Plan (Oct - Dec 98)
  - Road Show to AFSPC bases (Jan 99)
- Brief at Other Conferences/Mtgs/Training Sessions (As Required)